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LEGISLATIVE HISTORY

Public Law 563--78th Congress

Chapter 725--2d Session

H. R. 5566

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DIGEST OF PUBLIC LAW 563.

REFINANCING OF RURAL ELECTRIFICATION LOANS. Authorizes PEA to make loans to cooperative associations to repay or refinance loans from TVA.

INDEX AND SUMMARY OF HISTORY ON H. R. 5566

November 30, 1944	H. R. 5566 was introduced by Rep. McCord and was referred to the House Committee on Agriculture. Print of the bill as introduced.
December 1, 1944	House Committee reported H. R. 5566 without amendment. House Report 2009. Print of the bill as reported.
December 11, 1944	H. R. 5566 was discussed in the House and passed as reported.
December 12, 1944	H. R. 5566 was referred to the Senate Committee on Agriculture and Forestry. Senate Committee reported H. R. 5566 without amendment. Print of the bill as referred and reported.
December 14, 1944	H. R. 5566 discussed in the Senate and passed over on objection.
December 15, 1944	H. R. 5566 discussed in the Senate and passed as reported.
December 23, 1944	Approved. Public Law 563.

78TH CONGRESS
2D SESSION

H. R. 5566

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 30, 1944

Mr. McCORD introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend section 502 (a) of the Department of Agriculture Organic Act of 1944.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 502 (a) of the Department of Agriculture
4 Organic Act of 1944 (Public Law 425, Seventy-eighth Con-
5 gress) is amended to read as follows:

6 “SEC. 502. (a) Section 4 of the Rural Electrification
7 Act of 1936, as amended (7 U. S. C. 901-914), is amended
8 to read as follows:

9 “SEC. 4. The Administrator is authorized and em-
10 powered, from the sums hereinbefore authorized, to make
11 loans to persons, corporations, States, Territories, and subdi-

visions and agencies thereof, municipalities, peoples' utility districts and cooperative, nonprofit, or limited-dividend associations organized under the laws of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service, and loans, from funds available under the provisions of sections 3 (d) and 3 (e) but without regard to the 10 per centum limitation therein contained, to cooperative associations for the purpose of enabling said cooperative associations to discharge or refinance long-term debts owed by them to the Tennessee Valley Authority on account of loans made or credit extended under the terms of the Tennessee Valley Authority Act of 1933, as amended: *Provided*, That the Administrator, in making such loans, shall give preference to States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts, and cooperative, nonprofit, or limited-dividend associations, the projects of which comply with the requirements of this Act. Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine and may be made payable in whole or in part out of the income: *Provided further*, That all such loans shall be self-liquidating within a period of not to exceed

1 thirty-five years, and shall bear interest at the rate of 2
2 per centum per annum; interest rates on the unmatured and
3 unpaid balance of any loans made pursuant to this section
4 prior to the effective date of this amendment shall be adjusted
5 to 2 per centum per annum, and the maturity date of any
6 such loans may be readjusted to occur at a date not beyond
7 thirty-five years from the date of such loan: *And provided*
8 *further*, That no loan for the construction, operation, or
9 enlargement of any generating plant shall be made unless
10 the consent of the State authority having jurisdiction in the
11 premises is first obtained. Loans under this section and
12 section 5 shall not be made unless the Administrator finds
13 and certifies that in his judgment the security therefor is
14 reasonably adequate and such loan will be repaid within the
15 time agreed.' "

78TH CONGRESS
2D Session

H. R. 5566

A BILL

To amend section 502 (a) of the Department
of Agriculture Organic Act of 1944.

By Mr. McCord

NOVEMBER 30, 1944

Referred to the Committee on Agriculture

AMENDING SECTION 502 (a) OF AGRICULTURAL ORGANIC ACT OF 1944

DECEMBER 1, 1944.—Committed to the Committee of the Whole House on the
state of the Union and ordered to be printed

Mr. McCORD, from the Committee on Agriculture, submitted the
following

R E P O R T

[To accompany H. R. 5566]

The Committee on Agriculture, to whom was referred the bill
(H. R. 5566) to amend section 502 (a) of the Department of Agriculture Organic Act of 1944, having considered the same, report thereon
with a recommendation that it do pass.

STATEMENT

H. R. 5566 authorizes the Rural Electrification Administration Administrator to extend credit to cooperative associations for the purpose of refinancing outstanding indebtedness due and owing by them to the Tennessee Valley Authority. Such loans will result in materially reducing the interest rate now being paid by these cooperatives and make possible an acceleration of further extension of central station electric service in the areas affected.

It would also seem entirely consistent with sound business principles to consolidate in one agency the responsibility for Federal loans made for the purpose of extending electric service to rural areas.

The indebtedness owing to Tennessee Valley Authority bears interest at the rate of 3.5 percent per annum. Loans by Rural Electrification Administration bear interest at the rate of 2 percent per annum.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in *italic*; existing law in which no change is proposed is shown in roman):

RURAL ELECTRIFICATION ACT OF 1936, AS AMENDED

SEC. 4. The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans to persons, corporations, States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts and cooperative, nonprofit, or limited-dividend associations organized under the laws of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service, and loans, from funds available under the provisions of sections 3 (d) and 3 (e) but without regard to the 10 per centum limitation therein contained, to cooperative associations for the purpose of enabling said cooperative associations to discharge or refinance long-term debts owed by them to the Tennessee Valley Authority on account of loans made or credit extended under the terms of the Tennessee Valley Authority Act of 1933, as amended. : Provided, however, That the Administrator, in making such loans, shall give preference to States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts, and cooperative, nonprofit, or limited-dividend associations, the projects of which comply with the requirements of this Act. Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine and may be made payable in whole or in part out of the income: Provided further [however], That all such loans shall be self-liquidating within a period of not to exceed [twenty-five] thirty-five years, and shall bear interest at the rate of 2 per centum per annum; interest rates on the unmatured and unpaid balance of any loans made pursuant to this section prior to the effective date of this amendment shall be adjusted to 2 per centum per annum, and the maturity date of any such loans may be readjusted to occur at a date not beyond thirty-five years from the date of such loan: [Provided] And provided further, That no loan for the construction, operation, or enlargement of any generating plant shall be made unless the consent of the State authority having jurisdiction in the premises is first obtained. Loans under this section and section 5 shall not be made unless the Administrator finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be repaid within the time agreed.

○

Union Calendar No. 665

78TH CONGRESS
2D SESSION

H. R. 5566

[Report No. 2009]

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 30, 1944

Mr. McCord introduced the following bill; which was referred to the Committee on Agriculture

DECEMBER 1, 1944

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

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7 Act of 1936, as amended (7 U. S. C. 901-914), is amended
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1 loans to persons, corporations, States, Territories, and subdi-
2 visions and agencies thereof, municipalities, peoples' utility
3 districts and cooperative, nonprofit, or limited-dividend associ-
4 ations organized under the laws of any State or Territory of
5 the United States, for the purpose of financing the con-
6 struction and operation of generating plants, electric trans-
7 mission and distribution lines or systems for the furnishing of
8 electric energy to persons in rural areas who are not receiving
9 central station service, and loans, from funds available under
10 the provisions of sections 3 (d) and 3 (e) but without regard
11 to the 10 per centum limitation therein contained, to coopera-
12 tive associations for the purpose of enabling said cooperative
13 associations to discharge or refinance long-term debts owed
14 by them to the Tennessee Valley Authority on account of
15 loans made or credit extended under the terms of the Ten-
16 nessee Vally Authority Act of 1933, as amended: *Provided*,
17 That the Administrator, in making such loans, shall give pref-
18 erence to States, Territories, and subdivisions and agencies
19 thereof, municipalities, peoples' utility districts, and coopera-
20 tive, nonprofit, or limited-dividend associations, the proj-
21 ects of which comply with the requirements of this
22 Act. Such loans shall be on such terms and conditions
23 relating to the expenditure of the moneys loaned and
24 the security therefor as the Administrator shall determine
25 and may be made payable in whole or in part out

1 of the income: *Provided further*, That all such loans
2 shall be self-liquidating within a period of not to exceed
3 thirty-five years, and shall bear interest at the rate of 2
4 per centum per annum; interest rates on the unmatured and
5 unpaid balance of any loans made pursuant to this section
6 prior to the effective date of this amendment shall be adjusted
7 to 2 per centum per annum, and the maturity date of any
8 such loans may be readjusted to occur at a date not beyond
9 thirty-five years from the date of such loan: *And provided*
10 *further*, That no loan for the construction, operation, or
11 enlargement of any generating plant shall be made unless
12 the consent of the State authority having jurisdiction in the
13 premises is first obtained. Loans under this section and
14 section 5 shall not be made unless the Administrator finds
15 and certifies that in his judgment the security therefor is
16 reasonably adequate and such loan will be repaid within the
17 time agreed.'”

Union Calendar No. 665

78TH CONGRESS
2^D Session

H. R. 5566

[Report No. 2009]

A BILL

To amend section 502 (a) of the Department
of Agriculture Organic Act of 1944.

By Mr. McCord

NOVEMBER 30, 1944

Referred to the Committee on Agriculture

DECEMBER 1, 1944

Committed to the Committee of the Whole House on
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ville project for flood control. The amendment also requires a further report and subsequent authorization by Congress before the projects at Cambridgeport, Ludlow, South Tunbridge, and Gaysville can be built. And it prohibits the construction of a dam or reservoir at the Sugar Hill site on the Ammonoosuc River under previous authority or that contained in this bill. It is understood that an alternate site is under study and if found feasible authority exists for initiation of such project.

Amendment No. 27: The conferees recommend that the Senate recede from this amendment which would have required a further report and subsequent authorization prior to the initiation of the House-approved project for the Thomaston Reservoir on the Naugatuck River for flood control in the Housatonic River Basin, Conn., at an estimated cost of \$5,151,000. If further study discloses that the project should be abandoned or modified extensively the Chief of Engineers will withhold initiation of construction.

Amendment No. 28: This amendment of the Senate eliminates the Raystown Reservoir on the Raystown branch of the Juniata River, Pa., for flood control and other purposes, for which the House-approved bill authorized \$2,000,000, for the initiation and partial accomplishment.

Amendment No. 29: This amendment of the Senate approves a general plan for the long range comprehensive development of the Roanoke River Basin for flood control and other purposes, and authorizes the construction of the Buggs Island Reservoir on the Roanoke River in Virginia and North Carolina and the Philpott Reservoir on the Smith River in Virginia, at an estimated cost of \$36,140,000.

Amendment No. 30: The conferees recommend that the Senate recede from this amendment, thereby eliminating the Yadkin-Pee Dee project from the bill. It is expected that a restudy of the basin may be authorized by committee resolutions at a later date.

Amendment No. 31: This amendment of the Senate authorizes a project for the Edisto River Basin in South Carolina, consisting of channel and bank clearing along 43 miles of Edisto River and its north and south forks, at an estimated cost of \$139,000.

Amendment No. 32: This amendment of the Senate approves the general plan for the long-range comprehensive development of the Savannah River Basin for flood control and other purposes and authorizes the construction of the Clark Hill Reservoir on the Savannah River in South Carolina and Georgia, at an estimated cost of \$35,300,000. The rivers and harbors bill, H. R. 3961, as passed by the House contains an item for the Savannah River, the effect of which is to provide duplicate authorization for the Clark Hill Reservoir project. Such duplicate authority is undesirable and the Senate conferees have given assurances that if this conference report is approved by the House and Senate the duplicating item will be eliminated from the river and harbor bill.

Amendment No. 33: Under the laws of the State of Louisiana and existing Federal laws, local interests in acquiring easements and levee rights-of-way may not pay more than the assessed value of the property, and the assessed value is usually lower than the actual market value. This amendment of the Senate establishes a construction of existing law to allow reimbursements for levee rights-of-way at actual market value regardless of State laws, limiting payments to local tax assessment valuations, thereby placing Louisiana and other States on the same basis for reimbursement.

Amendment No. 34: This amendment of the Senate authorizes local flood control and bank protection in the vicinity of Shreveport, La., at an estimated cost of \$3,000,000.

Amendment No. 35: This amendment of the Senate authorizes the Blakely Mountain Dam and Reservoir on the Ouchita River for flood control and other purposes, at an estimated cost of \$11,080,000.

Amendment No. 36: The conferees recommend that the Senate recede from this amendment, thereby eliminating the authority for modifying the project to include reservoirs upstream from Trinidad. The conferees agree that a modification of this magnitude should be undertaken only after full report by the Chief of Engineers and authorization by Congress. The appropriate investigation and report to Congress are now in progress.

Amendment No. 37: This amendment of the Senate as modified incorporates a project for the construction of the Red Rock Dam on the Des Moines River for flood control and other purposes into the approved general comprehensive plan for flood control in the upper Mississippi River Basin. The estimated cost of the Red Rock Dam and Reservoir on the Des Moines River is \$15,000,000. The modification agreed to by the conferees removes the rigid restriction on elevation of spillway crest. The Chief of Engineers will, within existing authority, make any modifications in the design needed to protect existing sewers and public facilities.

Amendment No. 38: This amendment of the Senate authorizes a project for local flood protection on the Des Moines River at the city of Des Moines, Iowa, by means of levees, at an estimated cost of \$270,000.

Amendment No. 39: The conferees recommend that the Senate recede from this amendment, thereby restoring the estimated cost of the project as contained in the bill passed by the House.

Amendment No. 40½: This amendment of the Senate as modified authorizes five small detention reservoirs for local flood control on Farm Creek, Ill., and for the protection of East Peoria, in accordance with the recommendations of the Chief of Engineers, at an estimated cost of \$3,017,900.

Amendment No. 40: This amendment of the Senate authorizes the construction of the Bald Hill Reservoir on the Sheyenne River for flood control and other purposes at an estimated cost of \$810,000.

Amendment No. 41: This amendment of the Senate authorizes the construction of one reservoir on the Pembina River and one on the Tongue River for flood control and other purposes in the Pembina River Basin in North Dakota, at an estimated cost of \$333,800.

Amendment No. 42: This amendment of the Senate authorizes the construction of a reservoir on the south branch of Park River for flood control and other purposes, at an estimated cost of \$358,610.

Amendment No. 43: This amendment of the Senate eliminates the language in the House-approved bill for the Missouri River Basin, which has been superseded by Senate amendment No. 18.

Amendment No. 44: The conferees recommend that the Senate recede from this amendment, thereby eliminating the language which would have removed the Tuttle Creek project from the comprehensive plan for the Missouri River Basin. The Chief of Engineers is now making an investigation of possible alternate projects and if feasible will recommend them as substitutes for Tuttle Creek. The conferees, however, in eliminating the amendment recognize the necessity for adequate reservoir control in the plan for protecting the Kansas Citys and leave the way open for selection of Tuttle Creek Reservoir if alternates are found to be infeasible.

Amendment No. 45: This amendment of the Senate authorizes a project for local flood protection on the Chariton River, Mo., consisting of channel and levee improvements, at an estimated cost of \$1,610,300.

Amendments Nos. 46, 47, 48, and 49: These amendments of the Senate expand the approved general comprehensive plan for flood control in the Ohio River Basin adopted by the act approved June 28, 1938, as modified by the act approved August 18, 1941, to include: (a) Improvement in the Kentucky River Basin, consisting of the construction of a cut-off at the north fork of Kentucky River at Jackson and local flood protection at that community, and the modification of the plan for the Jessamine Creek, and Booneville projects to include the development of hydroelectric power at these sites, all at an estimated cost of \$23,822,000; (b) local flood protection at Middlesborough on Yellow Creek, Ky., by means of supplemental levees, at an estimated cost of \$205,200; (c) local flood protection on the Rough River and tributaries, Kentucky, by means of clearing of the channel banks of the lower Rough River and channel improvement in the lower portion of Barnett Creek, a tributary of the Rough River, all at an estimated cost of \$360,000; and (d) the construction of the Turtle Creek Reservoir on Turtle Creek, Pa., for local flood protection in the lower Turtle Creek Valley, at an estimated cost of \$2,613,000.

Amendments Nos. 50 and 51: These amendments of the Senate eliminate from the bill the Rowlesburg Reservoir on the Cheat River and the Improvement of the Youghiogheny River Basin which the House-approved bill placed into the comprehensive plan for flood control in the Ohio River Basin.

Amendment No. 52: This amendment of the Senate, as modified, provides that neither this authorization nor previous authorizations shall be construed to authorize the construction of the Shoals Dam on the east fork of the White River, Indiana, pending congressional action subsequent to submission by the Chief of Engineers of the report on the Wabash River and tributaries now in progress under authority of the Flood Control Act of August 11, 1939.

Amendment No. 53: This amendment of the Senate authorizes the construction of the Mount Morris Reservoir, on the Genesee River, N. Y., at an estimated cost of \$5,360,000.

Amendment No. 54: This amendment of the Senate authorizes the construction of local protection works at Redmond, Utah, on the Sevier River, by the construction of a leveed channel, at an estimated cost of \$281,000.

Amendment No. 55: This amendment of the Senate adds a title for an additional river basin, namely, the Colorado River Basin.

Amendment No. 56: This amendment of the Senate authorizes the construction of the Alamo Reservoir on the Bill Williams River in Arizona, at an estimated cost of \$3,202,000.

Amendment No. 57: This amendment of the Senate authorizes the project on Little Colorado River for local flood protection at Holbrook, Ariz., by means of levees, at an estimated cost of \$258,000.

Amendment No. 58: This amendment of the Senate authorizes the construction of local flood protection on the Pajaro River and tributaries, California, by means of levees and bank protection works along the lower Pajaro River and on Carnadero Creek at Gilroy, at an estimated cost of \$511,160.

Amendment No. 59: This amendment of the Senate modifies the language of the House-approved item, based on the report of the Board of Engineers for Rivers and Harbors, to reflect the views and recommendations of the Chief of Engineers which became available subsequent to the passage of this item by the House.

Amendment No. 60: This amendment of the Senate authorizes the construction of the Folsom Reservoir on the American River in California, at an estimated cost of \$18,474,000. The Folsom project will control flood peaks on the American River and thereby reduce

the threat to the city of Sacramento resulting from an uncontrolled flood on the American River synchronized with a major flood crest on the Sacramento River.

Amendment No. 61: This amendment of the Senate authorizes improvements in the Calaveras River and Littlejohn Creek stream group consisting of the Farmington Reservoir on Littlejohn Creek; channel enlargements, diversions and dikes; and enlargement of Hogan Reservoir, all at an estimated cost of \$3,868,200.

Amendment No. 62: This amendment of the Senate authorizes construction of the Conn Creek Reservoir on Conn Creek for flood control and other purposes in the Napa River Basin in California, at an estimated cost of \$460,000.

Amendment No. 63: This amendment of the Senate authorizes local flood protection in the Chehalis River at Aberdeen, Hoquiam, and Cosmopolis, by means of earth levees, concrete sheet piling, walls, and appurtenant works, at an estimated cost of \$669,000.

Amendment No. 64: This amendment of the Senate authorizes the construction of local flood protection works at Hanapepe on the Hanapepe River in the Territory of Hawaii, by means of concrete flood walls, at an estimated cost of \$73,000.

Amendment No. 65: This amendment of the Senate changes the designation of section 8 of the bill passed by the House to section 11 of the bill passed by the Senate.

Amendments Nos. 66, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, and 80: These amendments of the Senate authorize preliminary examinations and surveys of certain streams not in the bill passed by the House.

Amendment No. 67: This amendment of the Senate clarifies an item for a preliminary examination and survey.

Amendment No. 81: This amendment of the Senate changes the designation of section 9 of the bill passed by the House to section 12 of the bill passed by the Senate.

Amendment No. 82: This amendment of the Senate as modified raises to \$950,000,000 (Increase of \$140,000,000) the authorization provided by the bill, in order that sufficient authority may be available to cover the additional improvements included in the bill by Senate amendments and it clarifies the intent of this authorization to show clearly that the amount specified is for work authorized to be prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers. The \$200,000,000 authorization for War Department projects in the Missouri River Basin is included in this amount. The \$200,000,000 authorization for Department of the Interior projects in the Missouri River Basin is contained in section 9 and is not included in this amount.

Amendment No. 83: This amendment of the Senate as modified authorizes the expenditure of \$500,000 as an emergency fund under the direction of the Secretary of War and the supervision of the Chief of Engineers, for the construction of emergency bank-protection works to prevent flood damage to highways, bridge approaches, and public works.

Amendment No. 84: This amendment of the Senate changes the designation of section 10 of the bill passed by the House to section 13 of the bill passed by the Senate.

Amendment No. 85: This amendment of the Senate as modified provides that in connection with the works authorized to be undertaken by the Department of Agriculture land may be acquired only with the consent of the States and it lessens the burden on local communities of removal of large areas from taxation by providing for payments to local governments in lieu of taxes on the land acquired.

Amendment No. 86: This amendment of the Senate as modified authorizes works of improvement in the Santa Ynez River water-

shed to be undertaken by the Department of Agriculture, at an estimated cost of \$434,000. The increased amount is to cover land acquisition as recommended by the Department of Agriculture in House Document No. 518.

Amendment No. 87: The conferees recommend that the Senate recede from this amendment, thereby restoring the full amount of the estimated cost (\$32,000,000) including cost of land acquisition as recommended by the Department of Agriculture in House Document No. 708.

Amendment No. 88: The conferees recommend that the Senate recede from this amendment, thereby restoring the full amount of the estimated cost (\$4,221,000) including cost of land acquisition as recommended by the Department of Agriculture in House Document No. 892.

Amendment No. 89: This amendment of the Senate, as modified, authorizes works of improvement in the Yazoo River watershed to be undertaken by the Department of Agriculture, at an estimated cost of \$21,700,000. The increased amount is to cover land acquisition as recommended by the Department of Agriculture in House Document No. 564.

Amendment No. 90: This amendment of the Senate authorizes works of improvement in the watershed of Buffalo Creek and its tributaries, Cayuga and Cazenovia Creeks to be undertaken by the Department of Agriculture, at an estimated cost of \$739,000.

Amendment No. 91: The conferees recommend that the Senate recede from this amendment, thereby restoring the full amount of the estimated cost (\$11,234,000) including cost of land acquisition as recommended by the Department of Agriculture in House Document No. 275.

Amendment No. 92: This amendment of the Senate changes the designation of section 11 of the bill passed by the House to section 14 of the bill passed by the Senate.

Amendment No. 93: This amendment of the Senate as modified changes the reference to a number of a section in the bill passed by the House to the corresponding number of the section of the bill as passed by the Senate.

Amendment No. 94: This amendment of the Senate changes the designation of section 12 of the bill passed by the House to section 15 of the bill passed by the Senate.

WILL M. WHITTINGTON,
A. LEONARD ALLEN,
A. J. ELLIOTT,
CHARLES R. CLASON,
CARL T. CURTIS,

Managers on the part of the House.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the next bill on the Consent Calendar.

EXCHANGE OF LANDS, COLORADO

The Clerk called the bill (H. R. 5409) for the exchange of lands adjacent to the Pike National Forest, in Colorado.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act of March 20, 1922 (42 Stat. L. 465; U. S. C., title 16, sec. 485), entitled "An act to consolidate national forest lands," and the provisions of the act of February 28, 1925 (43 Stat. L. 1090; U. S. C., title 16, sec. 486), entitled "An act to amend an act entitled 'An act to consolidate national forest lands,'" and acts amendatory thereto, are hereby extended to include any suitable offered lands within township 11 south, range 69 west, sixth principal meridian, lying within the State of Colorado, adjacent to the Pike National Forest. Lands conveyed to the United States under this act shall, upon acceptance of title, become parts of the national forest nearest to which they are situated, and shall

thereafter be subject to the laws, rules, and regulations applicable to said national forest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO SECTION 502 (a) OF THE AGRICULTURAL ORGANIC ACT OF 1944

The Clerk called the bill (H. R. 5566) to amend section 502 (a) of the Department of Agriculture Organic Act of 1944.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, in view of the fact that this bill would operate to cause the United States Treasury to surrender certain annual income, I suggest that a member of the committee explain the bill.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Mississippi.

Mr. RANKIN. I shall be glad to explain it.

This bill was introduced by the gentleman from Tennessee [Mr. McCord] who has gone home to make arrangements for entering upon his duties as Governor of the State of Tennessee. Mr. McCord consulted me about this matter and we went over it carefully. We also went over it with a representative of the Rural Electrification Administration. The situation is this: When rural electrification began in the Tennessee Valley area, I organized the first cooperative power associations in my own district. The rest of the area followed our example and the Tennessee Valley Authority made loans to those associations to build rural power lines. Later, the R. E. A. was created, and all future loans were made through that agency. Recently a law was passed reducing the interest rate on those loans to 2 percent, and this bill simply permits those associations that have been borrowing through the Tennessee Valley Authority to switch those loans to the R. E. A. and get the T. V. A. out of the loaning business.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The members of this association are, for the most part, farmers, are they not?

Mr. RANKIN. Yes; practically all of them.

Mr. JENNINGS. And these associations carry the electricity out to the farms? And this bill puts these cooperative associations on the same interest rate as is enjoyed by all others?

Mr. RANKIN. Yes; and this bill is to allow the loans to be refunded out of what is known as the carry-over fund. It will not hamper the extension of rural electrification in any way.

We took this matter before the Committee on Agriculture and had the Solicitor of the Rural Electrification Administration present. He assured the committee that it could be taken care of out of what they call the carry-over funds that are now in their hands because of the fact that we do not have the

material for the necessary extension to absorb it. It will not hamper the Rural Electrification Administration or any co-operative power association throughout the country in extending its lines. If it did, I would not want it to pass.

Mr. COLE of New York. Will the gentleman point out the difference in the interest rates?

Mr. RANKIN. The T. V. A. is charging, I believe $3\frac{1}{2}$ percent. Last year, by an act of Congress, signed by the President, we reduced the interest rate to all of the R. E. A. cooperatives to 2 percent. This merely gives these cooperative power associations in that area the benefit of that law and enables the T. V. A. to get out of the loaning business.

Mr. COLE of New York. Did I understand the gentleman correctly to say that the T. V. A. interest rate was $1\frac{1}{2}$ percent?

Mr. RANKIN. Three and one-half percent.

Mr. COLE of New York. Can the gentleman advise us of the difference in revenue to T. V. A. by reason of the exchange of this indebtedness over to R. E. A.?

Mr. RANKIN. I can give the gentleman the figure. These cooperative power associations, of course, are situated in the seven States in the T. V. A. area. The amount of the loans involved is \$2,808,590.77. So far as the interest rate is concerned, that would simply mean a difference to these farmers of $1\frac{1}{2}$ percent interest.

Mr. COLE of New York. I withdraw my reservation, Mr. Speaker.

Mr. HOFFMAN. Reserving the right to object, Mr. Speaker, the gentleman is speaking about the R. E. A. co-ops now?

Mr. RANKIN. The cooperative power associations; yes.

Mr. HOFFMAN. Are those who operate the cooperatives Federal officials?

Mr. RANKIN. No; they are local people.

Mr. HOFFMAN. Where do they get the money to pay them?

Mr. RANKIN. To pay them what?

Mr. HOFFMAN. To pay the officers who are running the co-op—to pay the local officers.

Mr. RANKIN. They get it out of the revenue from the sale of the electricity. The power consumers pay it.

Mr. HOFFMAN. Where do they get their authority? Who elects the officers of the organization?

Mr. RANKIN. The members of the cooperative power associations elect these officials.

Mr. HOFFMAN. Are they in any way connected with the Federal Government?

Mr. RANKIN. No; except through these loans.

Mr. HOFFMAN. We loan them the money?

Mr. RANKIN. Yes.

Mr. HOFFMAN. How is it that those officers take active part in a campaign?

Mr. RANKIN. They have never taken an active part in a campaign where I live.

Mr. HOFFMAN. Yes; they do in Michigan. One of them ran ads this last campaign in the Fourth Congressional District. They ran ads and signed them.

For instance, Otis Klett, one of the officers of the co-op, ran ads stating in substance I was keeping 50,000 women chained to the washtub, though in the preceding sentence he said they could not get material because of the war. Where does he get any authority for that?

Mr. RANKIN. That certainly was not done by these cooperative power associations involved in this measure.

Mr. JENNINGS. Surely that was not a Tennessee farmer. They do not play politics. They are so busy making a living they would not do that.

Mr. HOFFMAN. The southerners have shoved many of the southern voters up to the northern districts and they have taken Federal jobs and money up there, and they bring with them from the South these ideas of political manipulation. We just do not like it.

Mr. RANKIN. The ones we send up there do not farm.

Mr. HOFFMAN. That is right. They live on the Federal pay roll. I accept the correction. The gentleman has that right enough. But I just do not like to be caught supporting these organizations where the consumer's money is taken away and used by the officials for political purposes.

Mr. RANKIN. I may say to the gentleman from Michigan that the cooperative power associations in his State are already getting the benefit of this low interest rate.

Mr. HOFFMAN. Yes, and I am getting the benefit of the political propaganda they put out, and I do not like it. Do I have to come in and vote to give those fellows more money before they will lay off of me? Or do I have to vote to give them loans so they can engage in political campaigns?

Mr. RANKIN. The gentleman will not be giving those cooperative power associations, about which he complains, anything.

Mr. HOFFMAN. We lend them money. They could not do business if we did not lend them Federal money. And as creatures of the Federal Government they have no business carrying on political campaigns.

Mr. RANKIN. That is already loaned to the cooperative power associations of Michigan, and they can get more if they want it. This bill is simply to do what we think is justice to the cooperative power associations in the Tennessee Valley area.

Mr. HOFFMAN. I am going to object to the consideration of this bill now unless I find out more about it.

Mr. RANKIN. I shall be glad to give the gentleman any information he wants on the subject.

Mr. JENNINGS. This relates to the farmers of Tennessee. I am certain they never interfere in any political controversy affecting my friend from Michigan.

Mr. HOFFMAN. They do not do that in Tennessee?

Mr. JENNINGS. They do not do that in Tennessee. I will go their bond if necessary to protect my friend.

Mr. HOFFMAN. The gentleman has been talking of those Tennessee election

officials stealing the votes down there. He means they were not R. E. A. fellows?

Mr. JENNINGS. No; of course they were not. Those are men who love darkness rather than the light, because their deeds are evil. These are just a good honest-to-goodness bunch of over-all farmers. I hope the gentleman will not object.

We have another reason. This is sponsored by the incoming Governor of Tennessee, one of the mildest-mannered and one of the finest men who ever served in this House.

Mr. RANKIN. When a Tennessee Republican says that about a Tennessee Democrat, the gentleman from Michigan ought to be satisfied.

This measure also affects farmers in Mississippi, Alabama, and Georgia.

Mr. JENNINGS. I just hope the gentleman will not object.

Mr. HOFFMAN. All I am afraid of is that the gentleman from Mississippi has been tampering with this gentleman from Kentucky in some way.

Mr. JENNINGS. No, he has not. I hope the gentleman will not do that. I will join him the first time he wants to throw a monkey wrench in any improper proposal. This is a just proposal, and means much to these Tennessee farmers.

Mr. HOFFMAN. I want to know about this. These P. A. C. fellows have plenty of money. Your Democratic Party has been taken over by Sidney Hillman and I do not want Sidney getting the benefit of Federal money or agencies to use politically.

Mr. RANKIN. Not my Democratic Party; wait a minute, be careful. Do not say that.

Mr. BARDEN. Mr. Speaker, I reluctantly call for the regular order. If the gentleman will show some inclination to want to bring this to a termination I will not insist upon it, but we have to get along with the call of the calendar.

Mr. HOFFMAN. We just think we ought to have a little time. If the gentleman had had this political propaganda against him—I have heard the gentleman on the Labor Committee yell his head off about the activities of the P. A. C. On top of the P. A. C. I do not want the Rural Electrification Administration working together in politics.

Mr. BARDEN. If the gentleman wants to discuss the bill, all right; otherwise I shall have to call for the regular order.

Mr. HOFFMAN. I wish the gentleman would not intimidate me that way.

Mr. KEAN. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Mississippi a question about the bill?

I note here there seems to be a change in the basic law. The present law reads that all loans shall be self-liquidating for the period of not to exceed 25 years, and this changes it to 35 years.

Mr. RANKIN. That merely complies with the law we passed last year.

Mr. KEAN. That refers only to these specific ones, to comply with the law we passed last year?

Mr. RANKIN. That is right.

Mr. MURRAY of Wisconsin. Reserving the right to object, Mr. Speaker, just to be sure that I get this straight, all this legislation does is provide that these people have the same interest rate as the great bulk of the people who are involved in R. E. A.?

Mr. RANKIN. That is right.

Mr. MURRAY of Wisconsin. It has nothing to do with whether it is too high a rate or too low a rate. But there is no reason why these Tennessee farmers should be left paying 3½ percent interest while the rest of the people are enjoying a 2 percent rate.

Mr. RANKIN. That is right.

This is a just measure, and I hope there will be no objection to it.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 502 (a) of the Department of Agriculture Organic Act of 1944 (Public Law 425, 78th Cong.) is amended to read as follows:

"SEC. 502. (a) Section 4 of the Rural Electrification Act of 1936, as amended (7 U. S. C. 901-914), is amended to read as follows:

"SEC. 4. The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans to persons, corporations, States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts and cooperative, nonprofit, or limited-dividend associations organized under the laws of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service, and loans, from funds available under the provisions of sections 3 (d) and 3 (e) but without regard to the 10-percent limitation therein contained, to cooperative associations for the purpose of enabling said cooperative associations to discharge or refinance long-term debts owed by them to the Tennessee Valley Authority on account of loans made or credit extended under the terms of the Tennessee Valley Authority Act of 1933, as amended: *Provided*, That the Administrator, in making such loans, shall give preference to States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts, and cooperative, nonprofit, or limited-dividend associations, the projects of which comply with the requirements of this act. Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine and may be made payable in whole or in part out of the income: *Provided further*, That all such loans shall be self-liquidating within a period of not to exceed 35 years, and shall bear interest at the rate of 2 percent per annum; interest rates on the unmatured and unpaid balance of any loans made pursuant to this section prior to the effective date of this amendment shall be adjusted to 2 percent per annum, and the maturity date of any such loans may be readjusted to occur at a date not beyond 35 years from the date of such loan: *And provided further*, That no loan for the construction, operation, or enlargement of any generating plant shall be made unless the consent of the State authority having jurisdiction in the premises is first obtained. Loans under this section and section 5 shall not be made unless the Administrator finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be repaid within the time agreed."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. RANKIN asked and was given permission to revise and extend his remarks.)

VIRGINIAN RAILWAY CO.

The Clerk called the bill (S. 1801) to authorize the Secretary of the Navy to convey to the Virginian Railway Co., a corporation, for railroad-yard-enlargement purposes, a parcel of land of the Camp Allen Reservation at Norfolk, Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to convey to the Virginian Railway Co., a corporation upon such terms and conditions as he may prescribe, all right, title, and interest of the United States of America in and to a strip or parcel of land of the Camp Allen Reservation, Norfolk, Va., for the enlargement of its railroad yard, said parcel of land being more particularly described as follows:

Beginning at point "C" on PW Drawing Numbered 10,545, on file in the Navy Department, which point is north forty-nine degrees forty-four minutes west and three hundred and twenty feet more or less distant from the center line of the Seventh Avenue entrance into Camp Allen and is on the present right-of-way line of the Virginian Railway Co.; thence north fifty-four degrees twenty-six minutes thirty seconds west two hundred and forty-three and sixty-four one-hundredths feet, more or less, to point "D"; thence north forty-nine degrees forty-four minutes west one thousand and fifty-six and seventy-one one-hundredths feet, more or less, to point "E"; thence north sixty-five degrees nineteen minutes fourteen seconds west three hundred and seventy-three and nine one-hundredths feet, more or less, to point "A"; thence to the right along the arc of a curve having a radius of six hundred and two and eighty one-hundredths feet, more or less, for a distance of three hundred and eighty-six and thirty-two one-hundredths feet, more or less, to point "B"; thence south forty-nine degrees forty-four minutes east one thousand two hundred and ninety-nine and fifty-five one-hundredths feet, more or less, to the point of beginning; containing all told ninety-three one-hundredths acre, more or less, situated in Norfolk, Va.

The bill was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

BISMARCK INDIAN SCHOOL, NORTH DAKOTA

The Clerk called the bill (S. 209) authorizing the conveyance of certain property to the State of North Dakota.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 25, 1938 (52 Stat. 1173), is hereby amended to read as follows:

"That the Secretary of the Interior be, and he is hereby, authorized to grant and convey to the State of North Dakota, for military and defense purposes, fee simple title to all or any part of the lands and improvements comprising the Bismarck Indian School plant. In any such grant, there shall be reserved to the United States the right to construct and operate over the property granted canals, ditches, transmission lines, and facilities incidental thereto that may be constructed in connection with Federal projects for the irrigation of land."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISSOURI RIVER BASIN

The Clerk called the bill (H. R. 4795) to authorize the undertaking of the initial stage of the comprehensive plan for the conservation, control, and use of the water resources of the Missouri River Basin.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, it is evident this is too important a matter to consider on the Consent Calendar. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

Mr. WHITE. Mr. Speaker, will the gentleman withhold his request?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDING FACT FINDERS ACT

The Clerk called the bill (H. R. 4808) to amend the Fact Finders Act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, in view of the fact that the report accompanying this bill does not comply with the rules of the House, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING SECTION 2 OF THE CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (S. 198) to amend further section 2 of the Civil Service Retirement Act, approved May 29, 1930, as amended.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I reserve the right to object, in order to ask the chairman of the Committee on the Civil Service to briefly explain this measure for the information of the Members of the House.

Mr. RAMSPECK. Mr. Speaker, this bill deals with two groups of employees of the Government, one, those who may continue in the service of the Government after they have reached retirement age and who have elected upon retirement to divide their annuity with some dependent, and the other, a group comprising employees who having once retired are reemployed. The only purpose of this bill is to protect the widow or other beneficiary named when the employee elects to divide his annuity. The actuaries tell us it will not cost any more money and it will help us to retain in the service of the Government and to bring back into the service of the Government people who are capable of continuing to do a good job during this emergency.

Mr. COLE of New York. Mr. Speaker, I withdraw my reservation of objection.

H. R. 5566

IN THE SENATE OF THE UNITED STATES

DECEMBER 12 (legislative day, NOVEMBER 21), 1944

Read twice and referred to the Committee on Agriculture and Forestry

DECEMBER 12 (legislative day, NOVEMBER 21), 1944

Reported by Mr. THOMAS of Oklahoma, without amendment

AN ACT

To amend section 502 (a) of the Department of Agriculture
Organic Act of 1944.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 502 (a) of the Department of Agriculture
4 Organic Act of 1944 (Public Law 425, Seventy-eighth Con-
5 gress) is amended to read as follows:

6 “SEC. 502. (a) Section 4 of the Rural Electrification
7 Act of 1936, as amended (7 U. S. C. 901-914), is amended
8 to read as follows:

9 “‘SEC. 4. The Administrator is authorized and em-
10 powered, from the sums hereinbefore authorized, to make
11 loans to persons, corporations, States, Territories, and subdi-

visions and agencies thereof, municipalities, peoples' utility districts and cooperative, nonprofit, or limited-dividend associations organized under the laws of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service, and loans, from funds available under the provisions of sections 3 (d) and 3 (e) but without regard to the 10 per centum limitation therein contained, to cooperative associations for the purpose of enabling said cooperative associations to discharge or refinance long-term debts owed by them to the Tennessee Valley Authority on account of loans made or credit extended under the terms of the Tennessee Valley Authority Act of 1933, as amended: *Provided*, That the Administrator, in making such loans, shall give preference to States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts, and cooperative, nonprofit, or limited-dividend associations, the projects of which comply with the requirements of this Act. Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine and may be made payable in whole or in part out of the income: *Provided further*, That all such loans

1 shall be self-liquidating within a period of not to exceed
2 thirty-five years, and shall bear interest at the rate of 2
3 per centum per annum; interest rates on the unmatured and
4 unpaid balance of any loans made pursuant to this section
5 prior to the effective date of this amendment shall be adjusted
6 to 2 per centum per annum, and the maturity date of any
7 such loans may be readjusted to occur at a date not beyond
8 thirty-five years from the date of such loan: *And provided*
9 *further*, That no loan for the construction, operation, or
10 enlargement of any generating plant shall be made unless
11 the consent of the State authority having jurisdiction in the
12 premises is first obtained. Loans under this section and
13 section 5 shall not be made unless the Administrator finds
14 and certifies that in his judgment the security therefor is
15 reasonably adequate and such loan will be repaid within the
16 time agreed.' ”

Passed the House of Representatives December 11, 1944.

Attest:

SOUTH TRIMBLE,

Clerk.

AN ACT

To amend section 502 (a) of the Department
of Agriculture Organic Act of 1944.

DECEMBER 12 (legislative day, NOVEMBER 21), 1944
Read twice and referred to the Committee on
Agriculture and Forestry

DECEMBER 12 (legislative day, NOVEMBER 21), 1944
Reported without amendment

4. To remedy construction of the present acts which have in several instances obscured and perverted their original purpose. These constructions have become so ingrained that the only way to change them is by legislation.

5. Generally to simplify trade-mark practice, to secure trade-mark owners in the goodwill which they have built up, and to protect the public from imposition by the use of counterfeit and imitated marks and false trade descriptions.

Mr. President, I may say that at the 2-day hearing which was conducted by the Senator from Florida [Mr. PEPPER] as chairman of the subcommittee, we were told over and over again that 90 percent of the business institutions of the country, both large and small, approved this bill. At the hearings there were represented many departments of the Government. The Department of Justice was represented. Practically every defect which was pointed out was cured. The bill now before the Senate has the approval of the business interests of the United States. They have worked for 6 years for such a bill. To reject the bill now would be almost a travesty on justice. We would have a full year after the enactment of the law to consider amendments to the law if anything wrong should develop with it. I urge the Senator from Tennessee not to object to the passage of the bill.

Mr. McKELLAR. Mr. President, the statement made by my distinguished friend the Senator from New Jersey [Mr. HAWKES] is very persuasive. Anything he says is always persuasive with me. I am not familiar with trade-marks. When the statement was made awhile ago that the bill would result in a recodification of the trade-mark law, I realized that the matter was important. Trade-marks are very important. It seems to be that a bill of this character, especially one which would not become effective for a year, should be brought before the Senate at some time when we can go thoroughly into it and discuss it fully. I know very little about trade-marks. I believe I have tried a few lawsuits concerning them, but they were tried many years ago. I do not have a clear recollection with regard to them. I am wondering if it would not be safer for us to have the matter of the recodification of all the trade-mark laws now on the statute books postponed until a time when the subject can be carefully examined instead of trying to examine it under the 5-minute rule during the last days of the Congress.

Mr. HAWKES. Mr. President, I have a very wholesome regard for my distinguished friend from Tennessee. He has been very helpful to me since I came to the Senate.

The Senator from Florida has said that the effect of the bill would be a recodification of the whole trade-mark law. I do not believe that would be the effect. I may say that the proposal now before us, with the exception of a few amendments, has been before the Senate for 6 years. We have had four hearings on the pending bill. We have spent thousands of dollars in connection with it. To say now to the people of the United States at this late date, after it has been acted upon by three Congresses, that we

do not know what it means, and to reject it in the expiring moments of this Congress, when a whole year will be allowed in which to amend the law, would, in my opinion, be inexcusable. I say to my dear friend, the Senator from Tennessee, that for the Senate to reject the bill now would be a reflection on Congress.

Mr. McKELLAR. Mr. President, I regret seeing a bill so important as the one now before us passed with so little consideration having been given to it. However, I shall not object.

Mr. O'MAHER. Mr. President, I regret very much being compelled to object. It will be observed that the bill was reported to the Senate on December 4. That was scarcely more than a week ago. It was reported with several amendments. The reason why the bill was not enacted during the several past years was the serious objection made to its terms. I know that in my office at the present moment there are communications from persons who are affected by the trade-mark law, and who object to some of the provisions of the bill. I have not had an opportunity to examine those communications, nor have I had an opportunity since the 4th of December to examine the report of the committee, or the amendments which have been suggested. Therefore, Mr. President, much as I regret doing so at this hour, I must object to the present consideration of the bill.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

Mr. PEPPER. Mr. President, I give notice now that at the conclusion of the call of the calendar I shall make a motion either to proceed to the consideration of this bill, or to fix a time for its consideration by the Senate.

Mr. HILL. Mr. President, I may say to my distinguished friend, the Senator from Florida [Mr. PEPPER], that the Senate has some very urgent matters to consider. I am not sure that the Senate can very well take up consideration of this bill immediately at the conclusion of the call of the calendar. There is a deficiency bill which will have to be passed, very likely tomorrow. We have certain nominations to consider, some conference reports, and other important matters which will have to be acted upon. I shall be glad to confer with the Senator about the matter.

Mr. PEPPER. Very well.

The PRESIDING OFFICER. The Chair asks the Senate to indulge the Chair in suggesting that Senators address the Chair so that the business of the Senate may be dispatched in an orderly way. The Chair will endeavor to recognize each and every Senator who desires to address the Chair, and will cooperate in every way in dispatching the business of the Senate.

AMENDMENT OF DEPARTMENT OF AGRICULTURE ORGANIC ACT OF 1944

Mr. McKELLAR. Mr. President, I have been called to attend a hearing at 4 o'clock of the Committee on Appropriations on the deficiency bill. On page 22 of the calendar, is Calendar No. 1397,

House bill 5565, an act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944. The bill has been reported by the committee. I ask unanimous consent that the Senate proceed at this time to the consideration of House bill 5565.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and the clerk will state the bill by title for the information of the Senate.

Mr. TAFT. Mr. President, I object, without further consideration.

The PRESIDING OFFICER. Objection being made, the bill will be passed over, and the clerk will state the next bill on the calendar.

EXEMPTION OF OFFICERS AND EMPLOYEES OF THE OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT

The Senate proceeded to consider the bill (H. R. 4446) to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code, which had been reported from the Committee on the Judiciary with amendments, on page 1, after line 4, to insert "or in section 19 (e) of the Contract Settlement Act of 1944 (Public Law 395, 78th Cong.)."

The amendment was agreed to.

Mr. FERGUSON. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The amendment has been agreed to. Objection being heard, the bill will be passed over.

ADDITIONAL JUDGE FOR THE DISTRICT OF DELAWARE

The Senate proceeded to consider the bill (S. 1817) authorizing the appointment of an additional judge for the district of Delaware, which was read, as follows:

Be it enacted, etc., That the President of the United States, by and with the advice and consent of the Senate, shall appoint an additional judge of the district court of the United States for the judicial district of the State of Delaware, who shall possess the same powers, perform the same duties, and receive the same compensation and allowance as the present judge of said district.

Mr. DANAHER. Mr. President, I send forward to the desk an amendment and ask that it be stated.

The CHIEF CLERK. On page 1, line 6, after the word "who", it is proposed to insert a comma and "except where because of seniority other provision is made."

Mr. TUNNELL. Will the Senator explain what the amendment is?

Mr. DANAHER. Yes; I am happy to do so. I am in favor of the bill, and shall be glad to see it pass, but as it stands with the language appearing in lines 6 and 7, the additional judge, once appointed, "possesses the same powers perform the same duties, and receive the same compensation and allowance as the present judge of said district."

Obviously there is a difference in power between a judge who has occupied the bench for some time and one who is junior to him. Seniority rights and var-

ious prerogatives adhere to the senior position, and simply to the end that the senior rights of the senior judge may be protected, I have offered the amendment.

Mr. TUNNELL. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STUDY OF SAFETY PROVISIONS BY UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

The Senate proceeded to consider the bill (H. R. 4159) to amend section 33 of the act of September 7, 1916, as amended (39 Stat. 742).

Mr. LANGER. May we have an explanation of the bill?

Mr. PEPPER. Mr. President, I did not report the bill. It was reported by the chairman of the committee, the Senator from Utah [Mr. THOMAS]. I have talked with the Chairman of the United States Employees' Compensation Commission, which is interested in the bill, and she said the bill was merely to supply a procedural deficiency. They have jurisdiction, but there is some little deficiency which they thought should be corrected, and that is what is intended to be accomplished by the bill. I am sorry I cannot give the Senator more information, but I am sure the chairman of the committee, the Senator from Utah [Mr. THOMAS], would not have reported the bill from the committee if he had not investigated the situation.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

AUTHORIZATION OF CERTAIN TRANSACTIONS BY DISBURSING OFFICERS

The bill (H. R. 5062) to authorize certain transactions by disbursing officers of the United States, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

COMPENSATION OF EMPLOYEES IN THE POSTAL SERVICE

The bill (S. 1882) to increase the compensation of employees in the Postal Service, was announced as next in order.

Mr. BYRD. Mr. President, this is a bill which is very important, involving a permanent increase in the salaries of the employees of the Post Office Department, which I understand will aggregate about \$130,000,000 a year. There is no report from the Postmaster General in the files. I therefore ask that the bill not be taken up under the unanimous consent Calendar, but be considered at some appropriate time when there can be a full discussion.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MALONEY. I am not very hopeful of being able to persuade him to change his view, but I should like to point out

to the distinguished Senator from Virginia that at the present time these postal employees, who have been for so long underpaid, are getting a special wartime bonus, and that the proposed increase would in substance replace the present bonus. There is a very slight addition in the amount of money which would be paid them.

I understand the House of Representatives had the bill on its program for this afternoon.

Mr. MEAD. Mr. President, if I may interrupt, I have a message that the House has just passed the bill.

Mr. MALONEY. I knew that the House was considering it, because I talked with the majority leader about it early today.

Unless the bill before us is passed at this time, it will mean it will go over again, as it has in the past. It will mean that this wage increase, which is not a large increase, will not be given to these employees for at least a long time to come.

With complete respect for the Senator from Virginia, I say that it seems to me we have been shadow boxing with the postal employees for a long time, and that we will still give them a bonus if the bill is not passed.

Mr. BYRD. If the Senator will yield, we are not giving a bonus in this bill, but a permanent increase.

Mr. MALONEY. Just a moment. I believe that the present bonus will be retained if the bill is not passed. I hope, as well as believe, that we are not going to curtail wages after the war, or in the future.

This is an important matter to these men. The hardest working of all the Federal employees are the postal employees. I think the raise is well deserved and long overdue, and I am very hopeful that the able Senator from Virginia will withdraw his objection.

Mr. BYRD. Mr. President, I merely wish to make clear to the Senate that this is not a bonus, it is a permanent increase in salary.

Mr. MALONEY. The Senator is correct.

Mr. BYRD. The present bonus will continue until July 1, 1945.

Mr. MALONEY. The Senator is correct.

Mr. BYRD. A \$300 bonus.

Mr. MALONEY. The Senator is correct.

Mr. BYRD. Now it is proposed to give a \$400 permanent increase in salary, and this should be thoroughly discussed and understood. It is an important matter. I am not saying I shall oppose the bill. I have a high regard for the work of the postal employees and want to see full justice done, but I want to know all the facts, which is not possible under the 5-minute rule.

The Postmaster General, as I understand, has not endorsed the bill. If he has, it is not a part of the record here. This is a bill of such importance that certainly we should not consider it under the 5-minute rule.

Mr. MALONEY. I should like to have the RECORD show that the senior Senator from Connecticut has endorsed the bill,

and feels that it is a long overdue recognition of great service.

Mr. BYRD. The Senator from Virginia will endorse the bill if he feels it to be right, and after he obtains all the facts with respect to it, but will not endorse it until he does.

Mr. MALONEY. I am sure that is a fact. I feel sure that as he ascertains the facts, the Senator from Virginia, for whom I have so much respect, will endorse the bill. I was hopeful that we might speed up this wage increase, which would replace the bonus now being paid. We are giving the postal employees almost as much now as they would get under the program proposed in this measure. The bonus would then be dropped, and these men would be brought up to a nearly appropriate wage situation.

Mr. MEAD. Mr. President—

Mr. MALONEY. I yield to the Senator from New York.

Mr. MEAD. In view of the fact that my distinguished colleague, the senior Senator from Connecticut, has yielded to me, I wish to make one or two observations as the sponsor of the bill.

First of all, I just sent for and received a report from the Postmaster General on the bill, and I should be very glad to pass it on to my distinguished colleague, the Senator from Virginia. I wish to say to him in all fairness that the Postmaster General does not recommend the bill in its present form. I desire to state, however, as the sponsor of the bill, that the postal employees have not received an increase since 1925, 20 years ago. Twenty years ago the revenues of the Postal Service amounted to approximately \$500,000,000 plus. Today they approach the billion-dollar mark, and these employees are doing all the additional work, with very few additional employees. If we pass this bill we are going to pay these employees out of the added revenue they are producing, rather out of the United States Treasury. So they differ from those employees in other departments of the Government in that as the result of their efficiency and their increased productivity they are producing the money which will take care of the salaries included in the bill.

As the distinguished Senator from Connecticut said, the bill will abolish the bonus of \$300 and add \$100 annually to the amount of the bonus. In view of the fact that these hardworking employees have not had a raise in salary in 20 years, and in view of the fact that any number of Senators have come to me day after day asking when the bill is to be brought up, and in view of the fact that it was reported by the House committee unanimously, and passed by the House today practically unanimously, I am told, I do not see why we cannot take it up this afternoon.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. MEAD. I gladly yield.

Mr. LA FOLLETTE. I find myself in complete agreement with everything that has been said by the senior Senator from Connecticut [Mr. DANAHER] and the junior Senator from New York [Mr. MEAD], but since the House has acted upon a similar measure this afternoon it

Mr. HILL. Mr. President, may the bill be stated?

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 4333) for the relief of Bertha LeFrancq.

Mr. HILL. Mr. President, what is the purpose of the amendment?

Mr. ROBERTSON. There was an error.

Mr. HILL. The purpose is merely to correct a typographical error; is that correct?

Mr. ROBERTSON. Yes.

Mr. HILL. Oh, I did not understand. Certainly I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SUSPENSION BRIDGE CONVEYOR AT SPRIGG, W. VA.

Mr. CHANDLER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 5206, calendar No. 1402, an act to authorize the Belfry Coal Co., of Kentucky, to construct a bridge across the Tug Fork of the Big Sandy River. I have consulted the chairman of the Commerce Committee, the Senator from North Carolina [Mr. BAILEY], and he has no objection to the bill. I make this request at the request of the House Committee on Military Affairs. I take it there will be no objection to consideration of the bill or to the bill itself.

Mr. WHITE. Mr. President, let me inquire whether the measure is a bridge bill?

Mr. CHANDLER. It is. It is Calendar No. 1402, House bill 5206. It would authorize the construction of a local bridge in a local community.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5206) to authorize Belfry Coal Co., to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF DEPARTMENT OF AGRICULTURE ORGANIC ACT OF 1944

Mr. McKELLAR. Mr. President, yesterday House bill 5566, an act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944, was reached on the calendar, but objection was made by the Senator from Ohio [Mr. TAFT]. I have asked the Senator from Ohio if he would not look into the matter further to see whether the objection could be withdrawn. He has indicated to me that it could be.

Therefore, in view of that situation, I ask unanimous consent to have the bill considered and passed.

Mr. TAFT. Mr. President, my objection is withdrawn. I have conferred with representatives of the R. E. A. about the bill, and I no longer have any objection.

Mr. McKELLAR. I thank the Senator.

Mr. WHITE. Mr. President, what is the calendar number of the bill?

Mr. McKELLAR. The bill is Calendar No. 1397, House bill 5566.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 5566) to amend section 502 (a) of the Department of Agriculture Organic Act of 1944, was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR subsequently said: Mr. President, with regard to House bill 5566, which we considered and passed a short time ago, I ask unanimous consent to insert in the RECORD following the passage of the bill, the departmental statement which I send forward.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RURAL ELECTRIFICATION ADMINISTRATION,
Washington, D. C., December 15, 1944.
Hon. KENNETH McKELLAR,
United States Senate.

DEAR SENATOR McKELLAR: In accordance with your request I am sending you herewith information concerning H. R. 5566 which is pending in the Senate, having passed the House.

Enactment of this measure, in its present form, would make possible the refinancing of certain loans made by Tennessee Valley Authority pursuant to the provisions of the Tennessee Valley Authority Act of 1933. Fourteen R. E. A. borrowers have also incurred indebtedness to T. V. A. Eleven of these borrowing units are cooperative associations operating in Tennessee, Mississippi, Alabama, and Georgia. Two are Alabama municipalities, and one is a Tennessee municipality. In addition, four cooperative associations, which, to date, have not been recipients of R. E. A. loans, are indebted to T. V. A.

It would seem entirely consistent with sound business principles to consolidate in one agency the responsibility for Federal loans made for the purpose of extending central station electric service in rural areas. By making possible the refinancing by R. E. A. of this indebtedness to T. V. A., an annual saving of 1.5 percent to these borrowers can be effected. The indebtedness to T. V. A. bears interest at the rate of 3.5 percent, while the interest rate for R. E. A. loans made under section 4 of the Rural Electrification Act, as amended by the Pace Act, is 2 percent. The consolidation of financing contemplated by this proposal will undoubtedly be to the advantage of the borrowers and the resulting reduction in interest rate may make possible an acceleration of further extension of central station electric service in the areas affected.

According to our present information, the total balance of loans outstanding from T. V. A. to cooperatives is approximately \$2,800,000. While we have no present knowledge as to the total amount of such refinancing which might be requested under the proposed legislation, the provisions of H. R. 5566 are so worded that the refinancing will not interfere with construction pro-

grams to reach persons not now served with electricity in the States involved. The provision in the bill authorizing the refinancing from sums made available by section 3 (d) and 3 (e) of the Rural Electrification Act without regard to the limitations contained in the section will preserve so far as possible for the States involved the maximum sums to which they would be entitled for new construction. To the extent that it is possible, it is contemplated that such refinancing of obligations owing to the Tennessee Valley Authority will be accomplished out of "carry-over" funds from preceding fiscal years as provided in section 3 (e) and that such refinancing loans will not be charged against sums available to the States involved for other purposes.

Since Congress has already determined the policy of 2 percent interest on R. E. A. obligations, including all loans that are presently outstanding as well as new loans, it would seem logical that all cooperatives engaged in rural electrification with Government financing should pay the same interest rate. An additional advantage of the bill, endorsed both by T. V. A. and R. E. A., is a simplification in administration of this Government program and elimination of the present necessity of certain borrowers dealing with two lending agencies with respect to a single program and business activity.

Sincerely yours,

VINCENT D. NICHOLSON,
Deputy Administrator.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LUCAS in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which, with the exception of those in the Army and Navy, were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. RUSSELL, from the Committee on Immigration:

Ugo Carusi, of the District of Columbia, to be Commissioner of Immigration and Naturalization, United States Department of Justice, vice Earl G. Harrison, resigned.

By Mr. CONNALLY, from the Committee on Foreign Relations:

William W. Corcoran, of Massachusetts, now a Foreign Service officer of class 5 and a secretary in the Diplomatic Service, to be also a consul general; and

Charles W. Lewis, Jr., of Michigan, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Bankhead	Hall	Revercomb
Bilbo	Hatch	Reynolds
Brewster	Hawkes	Robertson
Brooks	Hayden	Russell
Buck	Hill	Shipstead
Burton	Holman	Smith
Bushfield	Jenner	Stewart
Butler	Johnson, Calif.	Taft
Byrd	Johnson, Colo.	Thomas, Idaho
Capper	La Follette	Thomas, Okla.
Caraway	Langer	Thomas, Utah
Chandler	Lucas	Truman
Chavez	McCarran	Tunnell
Clark, Mo.	McClellan	Vandenberg
Connally	McFarland	Walsh
Cordon	McKellar	Weeks
Danaher	Magnuson	Wheeler
Davis	Maloney	Wherry
Downey	Maybank	White
Ellender	Millikin	Wiley
Ferguson	Murray	Willis
George	O'Daniel	Willson
Gerry	O'Mahoney	
Gillette	Overton	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

Mr. LA FOLLETTE. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Chair will state that the Chair hopes the Senate will cooperate in attempting to keep order while the Senate is in executive session. The Chair will also respectfully request the occupants of the galleries to keep order, and asks those in the rear of the Chamber to kindly be seated, so far as possible, and cooperate. Then we can expedite the business of the Senate, which is important.

The clerk will state the nominations on the Executive Calendar.

The legislative clerk read as follows:

Nominations passed over—Surplus Property Board.

Mr. CHANDLER. I move that the Senate proceed to consider the nominations of the two members of the Surplus Property Board.

Mr. CONNALLY. Will the Senator yield?

Mr. CHANDLER. I yield.

Mr. CONNALLY. The Senate has before it a number of nominations in the State Department. I am extremely anxious to have the Senate consider them at the earliest possible moment. I am not, however, going to make any motion which would displace that of the Senator from Kentucky, but I do hope the Senate will act with all speed in the consideration of any business which would in anywise delay or hinder the consideration of the State Department nominations.

Mr. President, this is a very critical period in our foreign relations. With one exception, the nominations in the State Department constitute the entire organization of the high officials of the State Department, there being only one Assistant Secretary there now. Under the Constitution and under the decisions of the courts, the President is our sole representative in conferring and negotiating with foreign nations, and it is of the highest importance that he have as his servants and subordinates men of his choice. These nominations are all the personal choices of the President of the United States, who, I feel, has the backing and the support of the Senate,

the Congress, and the people of the United States, in the very onerous duties he has upon him in conducting our foreign relations. I am extremely anxious that our boys on the fighting front and our enemies, as well as our allies, may realize that we are not going to hesitate or delay in acting upon these nominations, which are of such vital importance not alone to our own country, but to all those with whom we are associated in the war.

Mr. CLARK of Missouri. Will the Senator yield?

Mr. CONNALLY. I do not have the floor.

Mr. CHANDLER. I yield.

Mr. CLARK of Missouri. I have a boy who is a private first class in the Marine Corps, and I should like to ask the Senator from Texas whether he thinks it is essential to winning the war to have a fellow like MacLeish confirmed. If the Senator can convince me of that, I shall be very glad indeed to yield.

Mr. CHANDLER. Mr. President, I believe I will not yield for an answer to that question at the moment. That can be answered a little later.

The PRESIDING OFFICER. The clerk will report the nominations.

Mr. AUSTIN. Mr. President—

Mr. CHANDLER. I have the floor.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. CHANDLER. I decline to yield for the present.

Mr. AUSTIN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Vermont will state his parliamentary inquiry.

Mr. AUSTIN. Is there a request for unanimous consent pending?

The PRESIDING OFFICER. There is nothing before the Senate at this time.

The Clerk will state the nominations.

Mr. DANAHER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DANAHER. Did not the Senator from Kentucky move that the Senate proceed with the executive nomination of Mr. Robert A. Hurley and Lt. Col. Edward Heller?

The PRESIDING OFFICER. The first thing that comes before the Senate is what is on the Executive Calendar, which is the names of those who have been appointed. Then it will be necessary for the Senate to take up the question as to whether it will advise and consent.

Mr. DANAHER. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DANAHER. Has the Senate discretion as to the order in which it may proceed to consider nominations of the Executive Calendar?

The PRESIDING OFFICER. The regular order would be to take them up as they appear on the calendar, but the Senate can do anything it wishes to do.

Mr. DANAHER. Mr. President, I would respectfully move that the Senate proceed to the consideration of the nomi-

nation of Joseph C. Grew to be Under Secretary of State.

Mr. CHANDLER. Mr. President, I make the point or order that that motion is not in order.

The PRESIDING OFFICER. The point of order is sustained. The Clerk will report the first nomination on the Calendar.

Mr. CLARK of Missouri. I make the point of order that there is not a quorum present.

Mr. WHITE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHITE. Is it now in order to move to postpone the consideration of the nominations of the members of the Surplus Property Board to a time certain, or indefinitely?

Mr. CHANDLER. Mr. President, I make the point of order that such a motion is not in order, because the Senator from Kentucky has the floor.

The PRESIDING OFFICER. The Chair will state that the motion is not in order until something is before the Senate, as the Chair has tried to state. If the Senate will permit the clerk to state to the Senate the first nomination on the calendar, then that question would be in order.

Mr. TAFT. A point of order.

Mr. CLARK of Missouri. A parliamentary inquiry.

Mr. TAFT. A point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. When the name is stated, during the time it is being stated, can the Senator from Kentucky retain the floor?

Mr. CHANDLER. You see if he cannot. [Laughter.]

Mr. CLARK of Missouri. A parliamentary inquiry.

Mr. TAFT. I should like to have an answer to my inquiry, whether that does not automatically take every Senator off the floor.

The PRESIDING OFFICER. The clerk will state the first name on the Executive Calendar.

Mr. CLARK of Missouri. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Missouri will state it.

Mr. CLARK of Missouri. Did the Presiding Officer state that I could not make a point of no quorum?

Mr. CHANDLER. Mr. President, I have not yielded for that purpose.

The PRESIDING OFFICER. There is nothing before the Chair to decide.

Mr. CLARK of Missouri. I make the point of no quorum.

The PRESIDING OFFICER. The Senator from Kentucky did not yield for that purpose.

Mr. CHANDLER. I did not yield for that purpose.

Mr. CLARK of Missouri. Very well. I will stand on my feet until some business has been transacted, and I will make the point of order.

The PRESIDING OFFICER. The clerk will report the first nomination.

Mr. AUSTIN. A parliamentary inquiry.

[PUBLIC LAW 563—78TH CONGRESS]

[CHAPTER 725—2D SESSION]

[H. R. 5566]

AN ACT

To amend section 502 (a) of the Department of Agriculture Organic Act of 1944.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 502 (a) of the Department of Agriculture Organic Act of 1944 (Public Law 425, Seventy-eighth Congress) is amended to read as follows:

"SEC. 502. (a) Section 4 of the Rural Electrification Act of 1936, as amended (7 U. S. C. 901-914), is amended to read as follows:

"SEC. 4. The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans to persons, corporations, States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts and cooperative, nonprofit, or limited-dividend associations organized under the laws of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service, and loans, from funds available under the provisions of sections 3 (d) and 3 (e) but without regard to the 10 per centum limitation therein contained, to cooperative associations for the purpose of enabling said cooperative associations to discharge or refinance long-term debts owed by them to the Tennessee Valley Authority on account of loans made or credit extended under the terms of the Tennessee Valley Authority Act of 1933, as amended: *Provided*, That the Administrator, in making such loans, shall give preference to States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts, and cooperative, nonprofit, or limited-dividend associations, the projects of which comply with the requirements of this Act. Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine and may be made payable in whole or in part out of the income: *Provided further*, That all such loans shall be self-liquidating within a period of not to exceed thirty-five years, and shall bear interest at the rate of 2 per centum per annum; interest rates on the unmatured and unpaid balance of any loans made pursuant to this section prior to the effective date of this amendment shall be adjusted to 2 per centum per annum, and the maturity date of any such loans may be readjusted to occur at a date not beyond thirty-five years from the date of such loan: *And provided further*, That no loan for the construction, operation, or enlargement of any generating plant shall be made unless the consent of the State authority having jurisdiction in the premises is first obtained. Loans under this section and section 5 shall not be made unless the Administrator finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be repaid within the time agreed.'"

Approved December 23, 1944.

